

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

**THIRTEENTH CONGRESS**  
**First Regular Session**

**HOUSE BILL NO. 1073**

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**Introduced by Honorable Aquino, Agapito A.**

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**EXPLANATORY NOTE**

Political parties play a pivotal role in our society. They serve not only as critical support machinery of our current crop of nationbuilders, but also an essential nesting ground of future Filipino political and economic leaders.

Recent developments however have coated the very concept of political party a very negative and tainted image: an image devoid of commitment, idealism, selflessness, and loyalty, which are the very foundations of strong and effective political organizations. Unfortunately, such newly arisen image is not without basis. To some extent and across recent years, our political party system has been increasingly confined to personalities rather than issues and platform. And, as actual results and aftermath of recent electoral exercises show, political parties have become nothing more than political vehicles to win an election.

Attempts have been made in the past to correct these. But they have not been successful due to lack of institutional framework to govern the system of political parties. This is what this measure is all about. The goal is to strengthen our political party system to help develop and achieve genuine political development and democratization. We have to provide definitive guidelines to reengineer and re-invent our current system of traditional politics. We have to institute rules to discourage political chameleons and butterflies, and render them endangered, if not extinct political species. Finally, we have to establish policies that could help revitalize our existing major political parties, and make them more responsive to the needs of their members and their constituents as well.

In the light of these goals as well as the increasingly urgent need to tackle the inherent and longstanding weaknesses of our political party system, an expeditious passage of this bill is earnestly sought.

  
**AGAPITO A. AQUINO**

*Republic of the Philippines*  
**HOUSE OF REPRESENTATIVES**  
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**AN ACT**  
**STRENGTHENING THE POLITICAL PARTY SYSTEM**  
**AND PROVIDING FUNDS THEREFOR**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1           **SECTION 1. *Title.*** - This Act shall be known as the “Political Party Act  
2 of 2004.”

3

4           **SEC. 2. *Declaration of Policy.*** - It is hereby declared that the State shall:

5

6                   (a) promote the institutionalization of national parties, and the  
7 adherence to and development of party platforms;

8                   (b) ensure political accountability and transparency in the party  
9 system;

10                  (c) guarantee equal access to opportunities for public service;

11                  (d) maintain honesty and integrity in the public service as well as take  
12 positive and effective measures against graft and corruption;

13                  (e) institutionalize reforms in the financing of electoral campaigns and  
14 management of operations of national parties, as well as in the  
15 pursuit of other party development activities; and

16                  (f) instill party loyalty and discipline.

17           **SEC. 3. *Coverage.*** - This Act shall apply to national parties as registered  
18 with and certified to by the Commission on Elections.

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**SEC. 4. *Definition of Terms.*** – As used in this Act, the following terms shall mean:

- a) “Candidate “ refers to any person aspiring for or seeking an elective public office, who has filed a certificate of candidacy and duly nominated by an accredited national party, aggrupation, or coalition of parties.
- b) “Commission” refers to the Commission on Elections.
- c) “Political party” refers to an organized group of citizens advocating an ideology or platform, principles and policies for the general conduct of government and which, as the most immediate means of securing their adoption, regularly nominates and supports certain of its leaders and members as candidates for public office.
- d) “National party” refers to a political party, sectoral party or sectoral organization registered with the Commission whose constituency is effectively spread over the geographical territory of at least a majority of the regions.
- e) “Political turncoatism” refers to change of political party affiliation by any elective public official under which he was elected from the time of the election up to the last six (6) months before the succeeding election. It shall also refer to the change of political party of any candidate not holding any elective position six (6) months before an election: Provided, That political turncoatism shall not apply in any of the following instances:
  - 1. merger or coalition of political parties where a candidate is a registered member thereof;
  - 2. abolition of political parties where a candidate is a registered member thereof;

3. expulsion, in writing, of the registered member from his political party; and
4. resignation or indefinite leave of any candidate from a political party, provided the elective public official remains independent during his term of office up to six (6) months before the succeeding election.

Provided, further, that the basis of determining his party membership is the party of his choice appearing in the certificate of candidacy and the certificate of nomination from his party filed with the Commission.

(f) "Disclosure requirements" refers to the duty of all candidates, national parties, organizations or coalitions to reveal the amount, source and possible expenditure destination of campaign money flowing into them during the time provided for them under this Act.

(g) "State Fund" refers to the fund for party development and campaign activities of national parties from the annual General Appropriations Act.

(h) "Voluntary contributions" refers to the contributions from private individual taxpayers and corporations allowed under existing laws.

## **CHAPTER 2**

### **Institutionalization of National Parties**

**SEC. 5. *Registration of national parties.*** - For purposes of this Act, any organized group of persons seeking registration as a national party may file with the Commission a verified petition attaching thereto its constitution and by-laws, platform or program of government and such other relevant information as may be required by the Commission. The Commission shall, after due notice and

1 hearing, resolve the petition within ten (10) days from the date it is submitted for  
2 decision.

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4 Those who are already registered as national party may not register anew.  
5 However, they should manifest their desire to be entitled to the rights and  
6 privileges under this Act.

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8 **SEC. 6. *Effects of Registration.*** – A duly registered national party referred  
9 to in the immediately preceding section shall be entitled to the rights and  
10 privileges under this Act.

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12 National parties are likewise mandated to craft a clear policy agenda and  
13 program of governance consistent with their party philosophy and ideals. The  
14 members of the national party shall act in accordance with the defined party  
15 platform and pursue programs to fulfill party commitments.

16  
17 **SEC. 7. *Selection of Candidates.*** - The selection process for candidates  
18 shall be democratized through the adoption of a process that is fair, open and  
19 transparent, and would promote participation of choice from the members of the  
20 party. Towards this end, each national party is mandated to formulate a merit  
21 system on nomination and selection of candidates.

22  
23 The national party shall submit to the Commission its rules on merit  
24 system on nomination and selection of candidates not later than two hundred ten  
25 (210) days before the election day.

26  
27 Any aggrieved member of the national party may file a verified complaint  
28 not later ten (10) days after the party convention for the violation of the rules on  
29 merit system on nomination and selection of candidates.

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31 **SEC. 8. *Changing political party affiliation.*** - Any candidate who changes  
32 his party affiliation under Section 4(e) of this Act shall be deemed to have  
33 committed political turncoatism.

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2       **SEC. 9. *Effects of Political Turncoatism.*** – Any member of any registered  
3 political party who changes party affiliation after being elected on that party's  
4 ticket shall be:

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6       (a) prohibited from running for any elective position in the next  
7 succeeding elections;

8       (b) prohibited from being appointed or from holding any position in any  
9 public or government office for three (3) years after the expiration of  
10 his/her current term;

11       (c) prohibited from assuming executive or administrative position in  
12 his/her new political party; and

13       (d) refund of the amount he/she received from his/her political party plus  
14 a TWENTY-FIVE (25%) surcharge thereof.

15  
16       In addition to the effects of political turncoatism, any party-list  
17 representative who changes his/her political party or sectoral affiliation during  
18 his/her term of office shall forfeit his/her seat.

19  
20       **SEC. 10. *Period for filing petition for disqualification.*** – Any citizen of  
21 voting age, candidate, or duly registered national party may file with the  
22 Commission, upon filing of the certificate of candidacy and before proclamation,  
23 a petition to disqualify a candidate on ground provided under Section 8 hereof.

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25                               **CHAPTER 3**  
26                               **National Party Finance**  
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28       **SEC. 11. *Creation of a State Fund.*** - There is hereby created a State fund  
29 for registered national parties which will exclusively be used to augment the  
30 campaign expenditures as well as the operations of the national parties. The State  
31 fund shall be used equally for two major purposes: a) campaign expenditures; and  
32 b) program operations and party development. The State Fund shall be  
33 appropriated in the General Appropriations Act.

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2       **SEC. 12. *Limits on Voluntary contributions.***- Voluntary contributions to  
3 any national party shall be exclusively used for campaign expenditures and be  
4 limited to the following:

5       a) Individual taxpayer's contribution shall not exceed the amount of ONE  
6 HUNDRED THOUSAND PESOS (P100,000.00);

7       b) A corporation can contribute up to a maximum amount of FIVE  
8 HUNDRED THOUSAND PESOS (P500,000.00).  
9

10       **SEC. 13. *Period of Voluntary Contributions to National Party.*** – Any  
11 voluntary contribution to a national party shall be deposited with any accredited  
12 bank by the Commission within six months prior to the campaign period but not  
13 later than fifteen (15) days before the election day. For this purpose, each  
14 national party shall open an account with any accredited bank that shall issue a  
15 corresponding receipt to the contributor on the amount contributed. Said  
16 accredited banks shall submit a statement of account of each national party to the  
17 Commission.  
18

19       The Commission shall cause the publication of the account of any national  
20 party in any newspaper of general circulation within a reasonable time as may be  
21 specified under the implementing rules and regulations of this Act.  
22

23       **SEC. 14. *Allowable party development activities.*** - Due to the vital role  
24 played by national parties in the country's political development and in order to  
25 promote professionalism and accountability among members of the party, only  
26 the following party development activities shall be allowed:  
27

- 28       (a) branch administration, membership, recruitment, and civic education;  
29       (b) research and policy development;  
30       (c) education and training of members;  
31       (d) institution building and constituent outreach program; and  
32       (e) other reasonable expenses that will help in strengthening the party.  
33

1       **SEC. 15. *Authorized Expenses of National Parties.*** -The amount that a  
2 registered national party may spend for election campaign shall be Eleven pesos  
3 (P11.00) for every voter currently registered in the constituency or constituencies  
4 where it has official candidates. The Commission shall adjust said amount  
5 pegged on consumer price index every three (3) years thereafter.

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7                                   **CHAPTER 4**  
8                                   **Eligibility for State Fund**  
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10       **SEC. 16. *Eligibility for State Fund.*** - The provision of State Fund shall be  
11 apportioned according to the number of seats gained in the national legislature.  
12

13       **SEC. 17. *State Fund Distribution Scheme.*** - The State Fund shall be  
14 distributed according to the following:  
15

- 16                   1. Five percent (5%) of the State Fund shall accrue to the  
17                   Commission to be used exclusively for administration and  
18                   monitoring of national parties;  
19                   2. Forty-five percent (45%) of the State Fund shall be  
20                   proportionately and ratably distributed to political parties in  
21                   the Senate based on the number of seats obtained in the most  
22                   recent general elections; and  
23                   3. Fifty percent (50%) of the State fund shall be proportionately  
24                   and ratably distributed to national parties in the House of  
25                   Representatives based on the number of seats obtained in the  
26                   most recent general elections.  
27

28       **SEC. 18. *Lead Agency.*** - The Commission on Elections is hereby  
29 instituted as the independent regulatory agency charged with administering and  
30 enforcing the provisions of this Act.

31                                   **CHAPTER 5**  
32                                   **Public Disclosure and Auditing of the Fund**  
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1           **SEC. 19. *Audit of the Fund.*** - The Commission on Audit (COA) shall  
2 examine the financial reports of the national parties on the utilization of the fund.  
3 The auditing of all the financial accounts of parties shall be based on a reasonable  
4 time to be specified by COA.

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6           Voluntary contributions to any national party shall be accounted for  
7 separately under a different set of books of accounts which shall be open to  
8 inspection by the Commission on Audit as may be requested by the Commission.

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10           **SEC 20. *Party Ethics.*** – In exchange for State subsidy, registered national  
11 parties that qualify to avail of the fund shall institute internal control mechanisms  
12 to promote accountability and transparency. Said national parties shall likewise  
13 develop and enforce an internal code of conduct and ethical standards for its party  
14 members to uphold the values and standards of public life, and to formulate and  
15 implement disciplinary procedures for party members: Provided, That said  
16 program for internal controls, ethical standards, and disciplinary procedures shall  
17 all be duly submitted and filed with the Commission and made available to the  
18 public.

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20           In addition, no national party shall sponsor and select a candidate who has  
21 been convicted by any Court for any criminal offense.

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23           **SEC. 21. *Full Disclosure of Funds Sources and Expenditures.*** - The  
24 officials of the registered national party shall submit a sworn statement of their  
25 assets and liabilities to the Commission regardless of whether or not they hold  
26 public office. Said documents shall form part of public record.

27  
28           All national parties and candidates shall be required to make a public  
29 disclosure of all the contributions as well as the expenditures incurred for the  
30 utilization of the fund through the official website of the Commission and/or in a  
31 publication of general circulation.

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33           Specifically, the following shall be reported:

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2 1. The amount of contribution, the date of bank receipt, and the full  
3 name and exact address of the person from whom the contribution  
4 was received; included in the pre-election disclosures to the  
5 Commission. Aside from these contributions, they must furnish the  
6 Commission of its full report of expenditures and receipts incurred  
7 during the campaign.

8  
9 2. Post-election disclosure statements must be submitted to the  
10 Commission within thirty (30) days after the day of the election.  
11 Late statements shall be subject to fine, but the Commission will  
12 only consider waiver of fines based upon good and valid causes for  
13 late filing.

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15 **SEC. 22. *Prohibited Acts.*** - The following shall be punishable:

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17 1. Misuse of funds received by national parties both from the State and  
18 the voluntary contributions which goes beyond the allowable  
19 expenditures set under this Act and other existing laws;

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21 2. Inability to account for all incoming contributions from whatever  
22 source and or failure to submit pre-election as well as post election  
23 disclosure statements to the Commission; and

24  
25 3. False reporting or any misrepresentation in the financial statement  
26 reports.

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28 **SEC. 23. *Penalties.*** – (a) Any candidate or officer of any national party who  
29 violate Section 22 of this Act shall constitute an election offense without  
30 prejudice to the imposition of other penalties under existing laws; (b) Failure of  
31 any national party to comply with any of the documentary requirements as  
32 identified in Sections 5, 6, 7, 20 and 21 shall be subject to administrative  
33 sanctions which the Commission may impose, including temporary or permanent

1 cancellation of the party's registration, as well as payment of fines consistent with  
2 existing laws and regulations.

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4 **SEC. 24. Appropriations.** - The amount of **THREE HUNDRED**  
5 **MILLION PESOS (P300,000,000.00)** shall be initially appropriated in the  
6 General Appropriations Act for the implementation of this Act. The succeeding  
7 amount shall be based on the authorized expense of national parties for the total  
8 registered voters referred to under Section 15 of this Act.

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10 **SEC. 25. Applicability.** - The provisions of Batas Pambansa Blg. 881, As  
11 Amended, otherwise known as the "Omnibus Election Code of the Philippines,"  
12 and other election laws not inconsistent with this Act shall apply.

13 **SEC. 26. Rules and Regulations.** - The Commission shall promulgate the  
14 necessary rules and regulations to effectively implement the provisions of this  
15 Act.

16 **SEC. 27. Repealing Clause.** - The inclusion of Section 99 in Section 262  
17 of the Omnibus Election Code (Batas Pambansa Blg. 881) as among election  
18 offenses is hereby repealed.

19 All laws, orders, issuances, rules and regulations or part thereof inconsistent  
20 with the provisions of this Act are hereby repealed, modified or amended  
21 accordingly.

22 **SEC. 28. Separability Clause.** - If any part of this Act is held invalid or  
23 unconstitutional, the other parts or provisions thereof shall remain valid and  
24 effective.

25 **SEC. 29. Effectivity.** - This Act shall take effect fifteen (15) days from its  
26 publication in the Official Gazette or in at least two (2) national newspapers of  
27 general circulation, whichever comes first.

28 Approved,